121

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No. 08-867

IN THE

Supreme Court of the United States

APOTEX CORP., *et al.*,

Petitioners,

v.

ASTRAZENECA AB, *et al.*,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF

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STATEMENT PURSUANT TO RULE 29.6

Petitioners' corporate disclosure statement was set forth at page *ii* of their Petition for a Writ of Certiorari, and there are no amendments to that statement.

REPLY BRIEF

Respondents attempt to employ this Court's decision in *Peters v. Active Mfg. Co.*, 129 U.S. 530 (1889), to minimize the key purpose of Apotex' petition for certiorari to this Court. Respondents erroneously cast Petitioners' argument as either a simple question of invalidity or a dispute regarding claim construction. As Respondents correctly state, *Peters* stands for the principle that "[t]hat which infringes, if later, would anticipate, if earlier." And Respondents also correctly state that this language holds true to the present day. However true that pronouncement may remain, it is irrelevant to the issue currently before this Court. Petitioners do not argue in their petition for certiorari that the lower courts made an incorrect determination of validity. Rather, Petitioners urge that a valid patent is incorrectly and impermissibly read in an overly broad way during the *infringement* analysis – not the validity analysis – when the valid patent is interpreted to cause its claims to read upon an example of the prior art.

The *Peters* decision cited by Respondents has no direct bearing on Apotex' petition, and if relevant in any way, particularly as argued by Respondents, only serves to reinforce Petitioner's position that inordinate weight is placed upon validity analysis at the expense of proper infringement analysis, thereby ensnaring non-infringing prior art – whether invalidating or not – in an improperly broadened scope of claim interpretation. Citing *Peters*, Respondents attempt to dispose of the problem of incompatible precedents within the Federal Circuit by stating that the Federal Circuit's case law "uniformly recognize[s] the principle that if the patent claims cover

the prior art, they are invalid because one cannot claim patent protection for what was already in the prior art." (Opp. at 10) This argument blindly storms down a path on which infringement analysis bears no weight and a determination of validity is dispositive of the infringement question. This inappropriate approach very simply ignores the possibility that a valid patent's claims might not be broad enough to encompass an accused device. Indeed, a valid patent's claims *must* not be interpreted so broadly as to ensnare devices that practice the prior art. Therein lies the issue before this Court: That an accused infringer should be permitted to demonstrate non-infringement of a patent found to be valid by proving that his product practices the prior art.

Apotex argues in the present matter that its product does not infringe the patents-in-suit because that product practices the prior art. The accepted legal truism that "that which infringes, if later, invalidates, if earlier" is relevant here only to the extent that it demonstrates that if a patent is granted and held to be valid, it must not read upon or ensnare the prior art. Respondents seem to argue that because their patent was granted and held valid, the finding of infringement must be correct. This improperly eliminates the second step of infringement analysis – the comparison of properly construed terms of a valid patent to the accused device. This comparison must not ignore the prior art. If an accused device does not invalidate a patent, it does not follow that it infringes. It may just as easily follow that the accused device does not infringe because the patent's claims do not reach so far as to cover the accused device. This *must* be the case where the accused device practices the prior art.

Respondents argue that "it has . . . long been clear that where there is unity among what is patented . . . , the accused infringing device and the prior art, the result is that the patent is invalid." (Opp. at 9) They, as the Federal Circuit did below, employ this truism to preclude application of the necessary corollary that where there is unity among the accused infringing device and the prior art, a *valid* patent may not be read so broadly as to include such matter. The determination that a patent is valid, if held to signal infringement of all accused devices, similarly subsumes the required comparison of the accused device to the claim terms when considered in light of the prior art. In this regard, Petitioners respectfully submit that Respondents' reliance upon the holding of *Peters* and its progeny is misplaced here, further demonstrating that the existing precedent of the Court of Appeals for the Federal Circuit conflicts with the prior mandates of this Court, requiring that properly construed claim terms must be compared to the accused device in order to determine whether the accused device infringes. In order to demonstrate the applicability of the corollary stated above, Petitioners urge this Court to hold that practicing the prior art is a valid affirmative defense to patent infringement, whereby an accused infringer is afforded the opportunity to demonstrate that his device, because it is in unity with the prior art, does not infringe a valid patent.

CONCLUSION

For the foregoing reasons, the Court should grant the Petition for a Writ of Certiorari.

Respectfully submitted,

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